

**GOLDEN ISLES ASSOCIATION OF REALTORS®**  
**CIRCLE OF EXCELLENCE**  
**RULES & REGULATIONS**

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Amended 10/25/00

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## **PURPOSE**

The purpose of the Circle of Excellence is to recognize those members of the Golden Isles Association of REALTORS® who have excelled in real estate sales and property management during a “qualifying year”.

### **Section 1: DEFINITIONS**

- a) Qualifying Year - Consists of a full calendar year beginning **January 1** and running through **December 31st** of each year.
- b) Membership Year - A twelve (12) month period beginning on the day of the award presentation.

### **Section 2: WHO IS ELIGIBLE**

All licensed and commissioned brokers and salespersons (excluding salaried Property Managers) of any real estate broker (individual or firm) who are both licensed by the Georgia Real Estate Commission and a member of the Golden Isles Association of REALTORS® are eligible for membership.

### **Section 3: MEMBERSHIP CATEGORIES/AWARDS**

#### **Section 3.1 Membership Recognition**

- a) Active Status – one who has been elected for the year immediately following their qualifying year.
- b) Life Status – one who has been elected as an active Member for three successive years or who has been elected for any five years.

#### **Section 3.2 The Oglethorpe Award**

The Oglethorpe Award is awarded to those who have been **Active** Members of the Golden Isles Association Circle of Excellence (formerly The Circle of Excellence) for a total of ten (10) years. The ten-year period does not have to be in succession.

### **Section 4: HOW TO QUALIFY**

To qualify for “Active Status” an individual must fulfill the following requirements:

#### **Section 4.1 Sales/Listings**

Earn a minimum of \$3,000,000 credit for closed transactions during a “qualifying year” (consists of a full calendar year beginning January 1 and running through December 31) and a minimum of 6 transactions. Those obtaining credit at \$3,000,000 level and higher and a minimum of 6 transactions will be recognized accordingly. The review committee, by majority vote, may request from any applicant proof of compensation as denoted in the closing documents claimed to be received by an applicant during the qualifying year.

#### Section 4.2 Property Management

During the “qualifying year”, or a portion thereof, collect on behalf of the company a minimum of \$70,000 in GROSS MANAGEMENT FEES AND/OR COMMISSIONS. In the event a REALTOR® assumes management responsibilities after the start of the “qualifying year” that REALTOR® may only claim management fees for the time frame in which he/she is actively involved.

- (a) In the event that more than one REALTOR® works together and has joint management responsibilities; the collective Gross Management Fees/Commissions will be divided equally among these REALTORS®. Each REALTOR® to qualify for membership would then have to be credited with a minimum of \$70,000 in Gross Management Fees/Commissions individually. Example: 1 REALTOR® - \$70,000 minimum required; 2 REALTORS® - \$140,000 minimum required; 3 REALTORS® - \$210,000 minimum required.
- (b) When property management responsibilities are specifically allocated to individual REALTORS® within a company, credit for Gross Management Fees/Commissions collected will be credited separately. Gross Management Fees Commission can be generated from residential, vacation rental, commercial, industrial, and/or association management activities.

#### Section 4.3 Commercial Sales & Leasing

##### General

- (a) Full credit will be allowed during the year the sale or lease is fully executed by all required parties during the qualifying year.
- (b) Any transaction in which the Applicant (either individually or as a principal of partnership, corporation or co-tenancy) owns more than a 10% interest in the property shall not be used for Circle of Excellence Volume credit.
- (c) Circle of Excellence Volume credit shall be allowed for any transaction in which an installment commission is collected or paid and such commission is not contingent upon the actual closing of the transaction. No credit shall be allowed for appraisals, referral fees, evaluations, consultations or fee based non-contingent income.
- (d) No Circle of Excellence Volume credit shall be allowed for any transaction for which the commission or brokerage fee paid is not reflected on a closing statement, lease agreement, valid commission agreement or disclosure statement.
- (e) Applicant receiving salary/bonus compensation must provide certification from their Designated REALTOR that at least 50% of Applicant's annual compensation was earned directly from contingent commissions resulting from Applicant's direct involvement in brokerage transactions. Applicant receiving salary/bonus compensation must provide from their Designated REALTOR verification of Applicant's percentage share involvement.
- (f) It is acceptable for two individuals within the same real estate company to represent different parties in a transaction and thus each claim full credit for a sale or lease transaction. To do so, a written disclosure statement executed by all parties must be submitted with the application. In no event may an individual claim more than the transaction value for a single transaction. (Explanation: An individual, even with a signed disclosure statement, representing both parties in a transaction, may not claim credit for representing the Buyer (full transaction value) and also claim credit for representing the Seller (full transaction value), thus receiving two times the full value.)

- (g) An Applicant may apply for membership in the Circle of Excellence even though a portion of Applicant's Circle of Excellence Volume is residential. However, in order to be eligible for membership in the Commercial Circle of Excellence, an applicant's Circle of Excellence Volume must be at least 75% commercial.

A residential transaction is considered to be the following:

- 1) A transaction involving any property or properties occupied as a primary residence at closing, or immediately thereafter, which contains 2 or less units involved.
- 2) A transaction involving any property zoned residential at closing which contains 5 or less unimproved, subdivided building lots.
- 3) A transaction involving any property that is 20 acres or less that is zoned residential at closing which is not subdivided and which the highest and best use of same is for one single family.
  - (a) A Commercial transaction is any transaction that is not residential.
  - (b) The effective credit date (the "Effective Credit Date") for sales transactions shall be the date on which title is passed. The Effective Credit Date for lease transactions shall be the date of a fully executed lease or in the case of lease termination or contingency provisions the date in which all lease terminations are waived or expired.
  - (c) If more than one individual (either within the same firm or with different firms) represents the same party within any sale or lease, the Circle of Excellence Volume credit allowed to that party's agent shall be in the same proportion as the percentage of the commission or contingent fee paid to the individuals representing that party. Credit for referral fees paid shall be deducted from the Circle of Excellence Volume credit of the Applicant. Example: If two agents from the same firm represent the seller and close a \$2,000,000.00 million dollar transaction, each individual will be able to claim \$1,000,000.00 on the transaction summary form (assuming the commission split is 50/50). The percentage of commission claimed is in direct proportion of the commission split i.e., 50/50, 60/40 etc.
  - (d) Circle of Excellence Volume is not assignable and is not transferable. If a transaction has two or more Agents/Brokers involved and one or more of the Brokers do not submit the transaction for Circle of Excellence Volume, the Broker who does submit the transaction can only claim the percentage of the volume that matches the Broker's portion of the commission or contingent fee paid. In every submitted transaction, the Circle of Excellence Volume claimed by each Broker shall reflect the actual percentage participation in the commission or contingent fee paid. Commissions paid to licensed support personnel as well as to referral brokers inside or outside the Applicant's organization shall be deducted from the overall commission so as to reflect the actual percentage commission or contingency fee paid.
  - (e) In the event of an exchange or in the event there is no fixed or stipulated sales price (as in the case of an exchange), then the value used to determine the commission shall be the value used to calculate Circle of Excellence volume.
  - (f) If an Applicant sells shares of ownership in a property (or in a partnership, corporation or co-tenancy owning property) through syndication, then Circle of Excellence Volume credit shall be calculated by multiplying the percentage interest of the entity sold by the total sales price of the entity sold.
  - (g) If a transaction is completed, but the brokerage commission has not been paid due to an unresolved dispute, then the Broker may not claim credit for the transaction until such dispute is resolved and the commission is paid. In such case, the Broker shall take credit for the transaction in the year the commission is paid.

- (h) In the event of a sale – leaseback transaction in which two interdependent transactions occur simultaneously, whereby an Owner sells a property and the same party or one of its related entities becomes a Tenant of the purchaser, then the Broker may only claim credit for the sale transaction and may not claim credit for the lease. In specific cases in which the Broker can identify with specific documentation that two separate transactions took place resulting in two separate contingent commissions payable to the Broker, then the Circle of Excellence Review Committee shall at its sole discretion, determine whether the Broker is entitled to receive credit for both transactions.
- (i) Income Stacking – If there is more than one person in place on a team, wherein one of the members of that team assists or plays a role in completing or working on the deal as in a “broker type role” and is paid a salary and all bonuses, then the following rule applies: Take the salary and all bonuses of the team member, figure the prorated portion of the total aggregate production and deduct that amount from the MDC level of production. i.e. if the team produced \$2M gross and the team member was paid \$200K, then there would be a deduction of 10% off the MDC applicant’s level of volume production.

2. Rules for Calculating Circle of Excellence Volume Credit for Sales:

- (a) In a sales transaction the broker or brokers representing each party to the transaction may each claim Circle of Excellence Credit equal to the sales price, or in the event there is no fixed or stipulated sales price (as in the case of an exchange), then the value on which the commission is based may be claimed by each party as the Circle of Excellence Volume. (Explanation: The broker(s) representing the Buyer may claim the full transaction value [sales price]).
- (b) If more than one real estate company participates in any one sale on behalf of the same party (two firms jointly represent the Buyer or have a joint listing), the Circle of Excellence Volume credit for each company will be in direct proportion to the division of the commission payable to the firms jointly representing the party.
- (c) The Effective Credit Date for a sales transaction shall be the date on which the title is passed.
- (d) In equity Joint Ventures the broker who raises equity and is paid for that service can claim the same percentage of the total proforma cost of the project as the percentage he or she raised of total equity in the transaction. This volume is deemed earned when the equity is legally committed and will not include future potential equity contributions, which are not bankable.
- (e) If the purchaser of an improved property or related entity occupies 50% or more of the premises, then the transaction will fall into the appropriate category, Office, Industrial, or Retail. If the purchaser occupies less than 50% of the premises then it will be considered a user sale.
- (f) Firm and irrevocable take out commitments will be counted at full value upon execution of the document. No future contemplated take outs for future phases which are not firm or are not irrevocable will be allowed in the volume total until such future contemplated commitments become irrevocable.

3. Rules for Calculating Circle of Excellence Volume for Leases:

New Rule:

If a lease prior to 2010 provides that either the landlord or the tenant, or both may terminate the lease and the termination does not take effect, the Applicant may use the remaining firm term of

the lease for credit in the year such right to terminate is not exercised. If a lease, prior to 2010, contains more than one option to terminate, such period shall be treated in this same manner.

For leases signed in 2010 going forward the applicant may claim credit for the full term of the lease.

- (a) The Effective Credit Date for a lease transaction shall be the date on which the lease is fully executed by all required parties during the qualifying year. For leases that are signed by the Tenant/Landlord during the qualifying year (2010) and then signed by the opposite party in the following year (2011), then the transaction cannot count for the qualifying year (2010), but can be applied the following year in (2011).
  - (b) In a lease transaction the Broker or Brokers representing each party to the transaction (Landlord or Tenant) may each claim Circle of Excellence credit equal to the aggregate rental called for in the lease. Credit shall be allowed for expansions and renewals that are signed in 2010.
  - (c) If more than one real estate company participates in any one lease on behalf of the same party (two firms represent the Tenant or have a joint listing) the Circle of Excellence credit for each company will be in direct proportion to the division of the commission payable to the firms representing the same party to the lease.
  - (d) If a lease contains an option to purchase, the amount of the Gross Aggregate Rental Amount used for Circle of Excellence Volume credit, shall be subject to the following conditions:
    - (1) If the option to purchase is exercised during the term of the lease, then additional credit may be claimed in the year of closing if the purchase price is greater than the credit previously claimed. Such additional credit shall be limited to the difference, if any, between the purchase price and the credit previously claimed.
    - (2) If an option to purchase is exercised after the expiration on the lease term, then the amount of the purchase price may be claimed as full credit in the year of closing.
  - (e) If a lease prior to 2010 provides that either the landlord or the tenant, or both may terminate the lease and the termination does not take effect, the Applicant may use the remaining firm term of the lease for credit in the year such right to terminate is not exercised. If a lease, prior to 2010, contains more than one option to terminate, such period shall be treated in this same manner.
  - (f) In each lease transaction, the Circle of Excellence Volume as defined in Section VIII, Paragraph 3 (a) will be available to the Broker or Broker's representing each party (Landlord or Tenant) to the lease transaction. Full Credit will be allowed during the year the lease is fully executed by all required parties during the qualifying year.
  - (g) Land Leases of longer than ten years will be valued by averaging the annual lease income for the first ten years and applying a cap rate of 8% (example - average annual income of \$100,000 capped at 8% produces a Lease value, for the purposes of their Circle of Excellence application, of \$1,250,000)
4. Rules for Categorizing Transactions:  
Industrial Transaction: A transaction which first complies with all the General Rules for calculating credit contained herein shall qualify as production in the "Industrial" category when a member has represented either Landlord or Tenant in an industrial lease, or has represented either the seller or purchaser in the sale of a property, 50% or more of which will be occupied by

the purchaser, or a related entity, as industrial space. See additional descriptions below:

1. If less than 50% is occupied by the purchaser, or related entity, and the balance of the space is occupied by or will be offered to other prospective tenants, such transaction shall qualify as "Investment Property Sales."
2. If there is income on the property of more than 12 months in place and an investor buys it, then it is an Investment

#### Section 4.4 Credentials

All individuals must have been a member of the Golden Isles Association of REALTORS® for the entire "qualifying year" or if a new licensee that year, must have joined the Association as soon as possible that qualifying year under the Association's membership admission policy.

#### Section 4.5 Application to Circle of Excellence

Submitting an application:

- a) Submit an application for membership and a non-refundable application fee no later than the deadline established for that year. With each application there must be a detailed statement for the qualifying year including the MLS number (if listed in the MLS), names of the parties to the sales contract, property involved, participation of salespeople involved within the same office and/or participation with any other brokers together with details of any division of commission and any other pertinent information. Each application must be sworn to by the applicant and certified by their Broker. The review committee reserves the right to request additional information from the applicant if necessary. (**Applicants must attach** to all applications an **ADDING MACHINE TAPE** verifying totals)
- b) Life Status members who wish to remain members of the Circle of Excellence may do so by paying the yearly dues. Those Members who have dropped out of the Club may rejoin by paying a \$35.00 reinstatement fee along with the regular yearly dues.

### **Section 5: EARNING CREDIT**

#### Section 5.1 Listing Agent

Only those REALTORS®/Brokers who submitted a listing to the MLS, or on listings not in the MLS, was the sole party responsible for marketing the listing may claim credit for it. REALTORS® claiming credit on properties not submitted to the MLS must be able to show proof of compensation if requested. The minimum credit to be claimed will be 100%, or in the case of a "co-listing" the minimum credit to Golden Isles Association of be claimed will be no less than 50% of the amount of the closed purchase price.

#### Section 5.2 Selling Agent

The credit shall be 100% of the amount of the closed price. In the event there is no fixed or stipulated purchase price (as in the case of a property exchange) then the values used to determine the commissions shall be the amount credited. REALTORS® claiming credit on properties not submitted to the MLS must be able to show a signed contract if requested. The minimum credit to be claimed will be 100% or in the case of a "co-sale" the minimum credit to be claimed will be no less than 50% of the amount of the closed purchase price.

#### Section 5.3 Listing Credit

No listing credit will be allowed whatsoever for sharing in a "Company Listing".

#### Section 5.4 Broker/REALTOR® Purchases

When a broker/REALTOR® purchases property for himself or herself, credit can be claimed as the selling agent. When a broker/REALTOR® lists property he or she owns for sale, he or she may claim the listing side of the credit when it is sold under that listing. If a REALTOR® lists and sells his/her own property, he/she are entitled to 100% credit (NOT 200%).

#### Section 5.5 Credit Percentage Limit

Total credits claimed by all applicants cannot exceed a combined 100% of the purchase price on a piece of property.

#### Section 5.6 Commissions Earned in the Capacity of a Manager

Commissions Earned in the Capacity of a Manager cannot be credited, unless the manager receives part of what would normally be considered the REALTORS® commission, and is hereby acting in a capacity similar to a cooperating REALTORS®. In such case, the credits shall be pro-rated, as is the commission. All credits shall go to the person acting in the capacity of a REALTOR®.

#### Section 5.7 Referral Fees and Show Fees

Referral Fees and Show Fees paid or collected are not allowed for credit. Sales handled for friends, clients, etc., in which no commission is charged shall not be eligible for credit.

#### Section 5.8 Full Credit Qualification

Full Credit will be allowed in the year of closing of a transaction where an installment commission exits.

#### Section 5.9 Effective Date for Credits

The effective date for credits is the date which title is passed.

#### Section 5.10 Application

By virtue of application to the Circle of Excellence, an applicant and their broker or brokerage house agrees to all rules, regulations, and criteria set forth in their entirety.

Section 5.11 Sanctions The following sanctions are optional and one (1) or more may be applied when a participant has been found in violation of these Rules and Regulations by the Circle of Excellence:

1. Letter of warning with a copy to be placed in Participant's file.
2. Letter of reprimand with a copy to be placed in Participant's file.
3. Appropriate and reasonable fine not to exceed \$1,000.
4. The applicant's/member's and the broker's current membership in the Circle of Excellence shall be terminated immediately. The applicant/member and the broker will be ineligible for membership in the Circle of Excellence for a period of three (3) qualifying years (i.e., if your membership is terminated in February, 2000, then you could not apply for membership until December 2003, for membership in the 2004 Club.
5. Membership of individual suspended for a stated period not less than one (1) year nor more than three (3) years, with automatic reinstatement of membership in good standing at the end of the specified period of suspension (decision should be written clearly

- articulating all intended consequences).
6. Expulsion from Membership with no reinstatement privilege (decision should be written clearly articulating all intended consequences).

#### Section 5.12 Consideration of Alleged Violations

The Circle of Excellence Committee shall give consideration to all written complaints having to do with violations of the Rules and Regulations (Adopted 12/16/99)

#### Section 5.13 Violations of Rules and Regulations

If the alleged offense is a violation of the rules and regulations of the Circle of Excellence and does not involve a charge of alleged unethical conduct or request for arbitration, it may be administratively considered and determined by the Circle of Excellence Committee and if a violation is determined, the Committee may direct the imposition of sanction, provided the recipient of such sanction may request a hearing before the Professional Standards Committee of the Board in accordance with the Bylaws and Rules and Regulations of the Golden Isles Association of REALTORS® within twenty (20) days following receipt of the Committee's decision. (11/96)

If, rather than conducting an administrative review, the Circle of Excellence has a procedure established to conduct hearings, any appeal of the decision of the Committee may be appealed to the Board of Directors of the Golden Isles Association of REALTORS® within twenty (20) days of the Committee's decision. Alleged violations involving unethical conduct for processing in accordance with the professional standards procedures of the Association. If the charge alleges a refusal to arbitrate, such charge shall be referred to the Board of Directors of the Golden Isles Association of REALTORS® (Amended 2/98)

#### Section 15.14 Complaints of Unethical Conduct.

All complaints of unethical conduct shall be referred by Committee to the Golden Isles Association of REALTORS® for appropriate action in accordance with the professional standards procedures established in the Association's Bylaws.

#### Section 5. 15 Qualifying Properties

In order for a property to qualify for listing and/or selling credits on the Circle of Excellence application, the property must be available for cooperation to all members of the Golden Isles Association of REALTORS® and the Golden Isles Multiple Listing Service to sell.  
(For example: a company development that is not available to all members of the MLS.)

### **Section 6: GENERAL RULES/GUIDELINES**

#### Section 6.1 Decisions of the Circle of Excellence

The decisions of the Circle of Excellence and as ultimately determined by the Golden Isles Association of REALTORS® Board of Directors regarding all applications are final.

#### Section 6.2 Membership in the Circle of Excellence

Membership in the Circle of Excellence is contingent upon good standing in the local Association. If

for any reason a member of the Circle of Excellence ceases to be a member of the local Association, then membership in the Circle of Excellence is automatically terminated and all rights and privileges are revoked.

### Section 6.3 Actions with Regard to the Circle of Excellence

The Circle of Excellence has been established and is sponsored by the Golden Isles Association of REALTORS®, and all actions of the Club shall be subject to the approval of its Board of Directors. The Board of Directors of the Golden Isles Association of REALTORS® reserves the right to dissolve the club at its discretion.

### Section 6.4 Who is Eligible to Use wording “ Circle of Excellence” and / or “Life -Status Circle of Excellence

Only current dues-paying members of the Golden Isles Association Circle of Excellence are authorized to use the Circle of Excellence or Life-Status Circle of Excellence seal adopted by the Board of Directors of the Golden Isles Association of REALTORS® . This applies to use on business cards, pins, and any other form of advertising during the membership year unless you are a life member.

### Section 6.4a Advertising

Any member of the Circle of Excellence that uses the Circle of Excellence logo or refers to the Circle of Excellence in any advertising, in a particular qualifying year, must then use the Circle of Excellence guidelines for qualifying for calculating sales in any and all advertising that quotes personal or company sales volumes during that qualifying year, even if the Circle of Excellence logo or name is not used in that particular ad. (i.e. If a member has the logo on any ad in March then they must use the same guidelines for calculating their sales production as the Circle of Excellence in an ad they run in August, even if they do not include the logo in that particular ad.) Any ad is intended to include, but not limited to, business, cards, personal ads, sign ads and all other ads.

### Section 6.5 Application Fee

The Circle of Excellence Committee shall be authorized to set an application fee, at its discretion, to cover the cost of seals, pins, and plaques for those applying for membership. Annual dues may also be set by the Circle of Excellence Committee.

### Section 6.6 Application Assessment

It shall be the duty of the Circle of Excellence Committee to review all applications submitted and submit a report to the Board of Directors of the Golden Isles Association of REALTORS® not later than the next Board of Directors meeting following 15 calendar days of committee study time giving their recommendation with regard to each applicant.

### Section 6.7 Make Up of the Circle of Excellence Committee

- a) There will be a standing Circle of Excellence Committee of at least 12 members.
- b) Members must be current members of the Circle of Excellence with the majority being Life status.
- c) The members shall be appointed, as required, by the President, subject to approval by the Board of Directors.
- d) The initial term, all terms will be as follows: 1/3 - 3 years, 1/3 - 2 years, 1/3 - 1 year. After the initial term, all terms will be for 3 years.

- e) The committee shall annually select its own Chairman and Vice Chairman (or, alternatively, the President shall annually designate the Chairman and Vice Chairman of the committee).
- f) All changes to the Rules/Regulations that govern membership in the Circle of Excellence shall first be approved by the Circle of Excellence Committee and then the Board of Directors.

Section 6.8 The Review Committee

The Circle of Excellence Committee, along with any Board of Director members of the Golden Isles Association of REALTORS®, will be considered the review committee. The rules and regulations as set forth herein are the guidelines for membership in the Circle of Excellence. In the opinion of the applicant, if there are extenuating circumstances will be considered separately through a personal interview. The decision of the Circle of Excellence Committee shall be final.

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